

Exhibit 1

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

CABINETS TO GO, LLC,

Plaintiff,

vs.

QINGDAO HAIYAN REAL ESTATE
GROUP CO., LTD (青岛海燕置业集团有限
公司), QINGDAO DROUOT WOOD
INDUSTRY CO. LTD (青岛德鲁奥木业有
限公司), ALNO INDUSTRY SDN BHD, and
SCIOTO VALLEY WOODWORKING,
INC., doing business as VALLEYWOOD
CABINETRY,

Defendants.

Case No. 3:21-cv-00711

Judge Waverly D. Crenshaw, Jr.
Magistrate Judge Jeffery S. Frensley

DECLARATION OF JASON DELVES

1. I, Jason Delves, have personal knowledge of the facts set forth herein, except as to those stated on information and belief and, as to those, I am informed and believe them to be true. If called as a witness, I could and would competently testify to the matters stated herein.

2. I am the President and Chief Executive Officer (“CEO”) of Cabinets To Go, LLC (“Cabinets To Go.”). I have served as President since July 2019. I became President and CEO of Cabinets To Go in July 2020, and continue to serve in both roles today.

3. As President and CEO, I have personal knowledge of and access to information relating to Cabinets To Go’s relationships with suppliers, including Defendants, Qingdao Haiyan Real Estate Group Co., LTD (“Haiyan”), Qingdao Drouot Wood Industry Co., LTD (“Drouot”),

Alno Industry SDN BHD (“Alno”), and Scioto Valley Woodworking, Inc. (“Valleywood”). All four defendants are referred to collectively as the “Haiyan Enterprise.”

4. As discussed in more detail below, I was unaware that Valleywood was part of the Haiyan Enterprise until 2020.

5. Throughout my course of dealing with the Haiyan Enterprise, Liyan Jiao held himself out to be the Chairman and President. I understand that Liyan lives in China.

6. My other primary business contacts at the Haiyan Enterprise were Sabrina Lee, Vivian Zheng, and Amanda Li. I communicated with them using these email addresses: sabrina@haiyanwoodworking.com, vivian@haiyanwoodworking.com, and amanda@haiyanwoodworking.com, respectively. I understand that Sabrina, Vivian, and Amanda live in China.

7. I also communicated with Liyan’s son, Philip Jian Jiao, using the following email address: pjiao@haiyanwoodworking.com. I understand that Philip lives in Ohio, where he is currently attending law school.

8. Finally, I communicated with Weiwei Wang, who served as an interpreter and negotiator on behalf of the Haiyan Enterprise. I understand that Weiwei lives in Ohio.

9. Cabinets To Go began doing business with Haiyan and Drouot in 2011. Cabinets to Go had a history of purchasing products from them that were manufactured in China.

10. In 2019, Cabinets To Go changed its business plan. Cabinets To Go stopped purchasing products manufactured in China or made with Chinese-manufactured parts to avoid paying the tariffs, anti-dumping duties (“AD”), and countervailing duties (“CVD”) that had been imposed on Chinese-made products.

11. I communicated Cabinets To Go's plan to Sabrina and Vivian, but they did not seem to take it seriously.

12. From January 2019 through September 2019, Cabinets To Go made the following purchases:

Month	POs Placed
1/1/2019	\$ 555,413
2/1/2019	\$ 930,064
3/1/2019	\$ 729,564
4/1/2019	\$ 1,919,764
5/1/2019	\$ 1,681,141
6/1/2019	\$ 4,842,293
7/1/2019	\$ 2,929,349
8/1/2019	\$ 1,725,308
9/1/2019	\$ 1,817,785

13. Because the Haiyan Enterprise was still manufacturing products in China, Cabinets to Go ceased ordering from it as of October 2019 other than one small purchase order in October 2019 for \$780.

14. There were no purchase orders placed in November 2019, December 2019, or January 2020.

15. In late 2019, Liyan, Philip, Sabrina, and Vivian traveled to Lawrenceburg, Tennessee. They visited the Cabinets To Go facility and met with me and other Cabinets to Go executives to discuss business matters and to persuade Cabinets To Go to resume doing business with them.

16. During this visit, I and the other Cabinets To Go executives again stated that Cabinets To Go would no longer purchase any Chinese products. Liyan then expressed a willingness to evaluate possible sites for a manufacturing mill outside of China.

17. During all of these discussions, Cabinets To Go expressly stated that a material term of any agreement for Cabinets To Go to purchase products from the Haiyan Enterprise was that the products could not be manufactured in China.

18. Liyan represented that the Haiyan Enterprise would take steps to manufacture product outside of China, all in an effort to meet Cabinets To Go's requirements.

19. In January 2020, Liyan traveled to Tennessee and again met with me and other Cabinets To Go executives. As part of Liyan's solicitation of Cabinets To Go business, he stated that the Haiyan Enterprise now included Alno, a mill in Malaysia, which the Haiyan Enterprise would use to manufacture Cabinets To Go's products.

20. Shortly thereafter, Cabinets To Go held its first Managers' Summit in Franklin, Tennessee. Cabinets To Go gathered all of its store managers together for presentations and training opportunities. The event also incorporated a mini-trade show. Cabinets To Go invited its suppliers to attend the mini-trade show and display new products. The managers were allowed to view the new products and then vote on which ones to incorporate into Cabinets To Go's existing business. Suppliers had to pay \$15,000 for the privilege of hosting a booth at the mini-trade show.

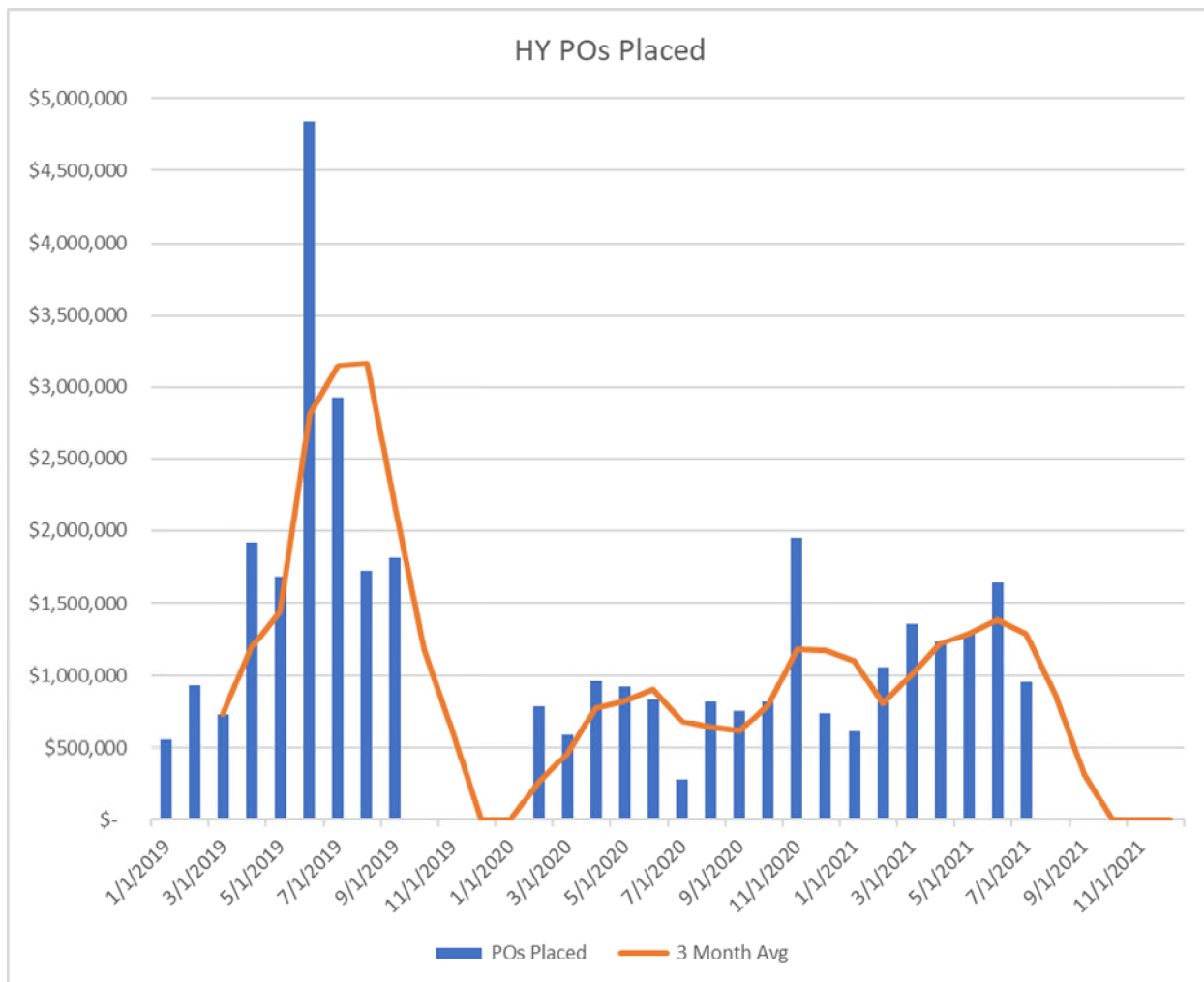
21. Sabrina and Vivian attended the mini-trade show. The Haiyan Enterprise paid the \$15,000 fee to have a booth there. They brought with them products manufactured by the Haiyan Enterprise in an effort to solicit sales from Cabinets To Go and to convince Cabinets To Go to resume doing business with them.

22. As a direct result of Sabrina and Vivian attending the Summit and soliciting sales, Cabinets To Go began purchasing five new lines of product from them: Springhill Hickory, Annapolis Blue, Hampton Pewter, Worthington White, and Worthington Gray. Three of these five lines subsequently became top sellers for Cabinets To Go and, thus, generated millions of dollars in revenue for the Haiyan Enterprise.

23. Cabinets To Go resumed purchases from the Haiyan Entities in February 2020.

24. From February 2020 through July 2021, Cabinets To Go purchased an average of over \$950,000 of products per month.

25. The chart below depicts on a month-to-month basis the business conducted between the Haiyan Enterprise and Cabinets To Go from January 2019 to the present:



26. The purchase orders at issue in this case, which were placed in February and March 2021, are part of the purchase orders identified in the chart above and were the direct result of the solicitation efforts by Sabrina, Vivian, and the other representatives of the Haiyan Enterprise.

27. Also in 2020, a professional contact mentioned to me that Valleywood, which is located in in Waverly, Ohio, is part of the same family business that makes up the Haiyan Enterprise. Valleywood sells cabinets to dealers and big box stores in the United States.

28. Such a relationship was concerning to me because it meant that one of Cabinets To Go's own suppliers was essentially competing with it in the U.S. market. I reached out to Sabrina and she confirmed that Valleywood was the distribution arm of the Haiyan Enterprise.

29. Cabinets To Go decided to explore the possibility of purchasing Valleywood. I spoke to Sabrina about obtaining information relating to Valleywood and its inventory in December 2020.

30. Sabrina and Philip acted on behalf of and as representatives of Valleywood during negotiations related to the potential sale. Valleywood's CEO, Jerome Burdock, was never a part of these communications.

31. On December 22, 2020, I followed up on my request for information in an email to Sabrina. Philip responded to my email and requested a letter of intent and confidentiality agreement. I informed him that a letter of intent is typically used to indicate the terms of a purchase and, thus, would not be appropriate at that time. The next day, I received another email from Philip stating that he would accept a letter of intent without specific purchase terms. I did not respond to this email, and negotiations fell silent for several months.

32. Discussions regarding a possible purchase of Valleywood resumed in Spring 2021. I participated in a call with Liyan, Sabrina, and Weiwei, during which we discussed Valleywood, and they also raised the possibility of Cabinets To Go purchasing Alno, the mill in Malaysia.

33. On May 17, 2021, I submitted a letter of interest on behalf of Cabinets To Go and a non-disclosure statement regarding Valleywood and Alno to Sabrina and Liyan. I sent these documents to Sabrina using her Haiyan email address.

34. Sabrina responded with questions about Cabinets To Go's plans for Valleywood and Alno, noting that a possible transaction would impact the future development of the Haiyan Enterprise as well as Alno and Valleywood. She also suggested that the parties meet face-to-face in America or Malaysia. I agreed that a meeting would be helpful in the future, but promised to send a list of due diligence items in the interim.

35. On June 4, 2021, I emailed Sabrina the due diligence list for the possible transaction. She again responded with questions about Cabinets To Go's plans for Valleywood and Alno.

36. On July 12, 2021, I answered her questions and stated that Cabinets To Go needed the due diligence material that week, as I had signed the letter of interest two months earlier.

37. Approximately two weeks later, Cabinets To Go inspectors discovered evidence that products coming from the Alno mill to Cabinets To Go had been manufactured in China, in breach of the agreements between the parties. Cabinets To Go contacted Sabrina multiple times about the issue, but received slow and evasive responses.

38. Finally, in early August 2021, Weiwei responded by e-mail in Sabrina's stead. She indicated that the products at issue met Cabinets To Go's standards, but there would be further investigation into the matter.

39. Meanwhile, Cabinets To Go identified additional orders for products that were supposed to be manufactured in Malaysia but were likely manufactured in China. Cabinets To Go asked Sabrina to certify the country of origin of these products, but she refused to do so.

40. On or about August 24, 2021, I received a telephone call from Sabrina and Amanda, who advised that they could not certify as to the country of origin because the products and/or component parts of the products had been manufactured in China.

41. Since 2020, Cabinets To Go and the Haiyan Enterprise had a specific shipping arrangement in place. Cabinets To Go selected a freight forwarder, which was responsible for finding the containers and the ship. Once the containers are located, the Haiyan Enterprise retrieved the containers, loaded them, and delivered them to the ship. Accordingly, the containers were trucked to the port of Penang, where they were loaded on the ship. At that point, the containers were covered by Cabinets To Go's insurance, but the Haiyan Enterprise retains control over the containers until the bill of lading is released. That release had to come from the Haiyan Enterprise and generally did not occur until Cabinets To Go paid for the product. This typically occurred after the containers were on the water. Until then, the Haiyan Enterprise maintained control of the containers.

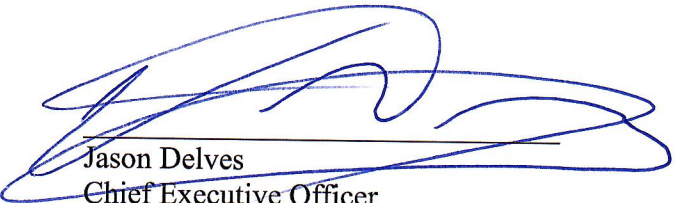
42. As an example, multiple purchase orders worth of product were on the water and headed for the United States when Cabinets To Go discovered the Haiyan Enterprise's deception. Cabinets To Go refused to pay for the products at issue because they refused to confirm their country of origin. The Haiyan Enterprise was able to stop the product at the port in Singapore and return it to Penang, where the Haiyan Enterprise regained possession of it.

43. In all my communications with Liyan, Philip, Sabrina, and Vivian, they never made any distinctions as to which entities they represented. They treated the entire Haiyan Enterprise as one indistinguishable family business.

44. They all appeared to have actual authority to act on behalf of all the entire Haiyan Enterprise.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 23rd day of February, 2022.



Jason Delves
Chief Executive Officer
Cabinets to Go, LLC